

**Members of the Senate Banking and Financial Institutions Committee
2008 Session**

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Senate Banking and Financial Institutions Committee
2008
Rules of Operation

1. These Committee Rules of Operation shall be consistent with the Senate Rules regarding establishment of Rules of Operation.
2. All meetings of the Committee shall be open to the public in accordance with Senate Rule.
3. The Committee shall meet at the time and place designated by the Secretary of the Senate and approved by the Committee on Administrative Affairs.
4. Quorum shall be six (6) members.
5. The Chairman shall determine bills and resolutions to be considered and the order in which such are called.
6. The Chairman shall have the authority to refer bills and resolutions to subcommittees for study. Such subcommittees shall have the authority to make recommendations to the full committee. All actions of any subcommittee shall be approved or disapproved by the standing committee.
7. The Committee shall convene, recess, and adjourn upon the order of the Chairman.
8. Committee rules may be amended by a two-thirds vote of the full membership of the Committee.
9. A bill, resolution, or other matter shall be considered only after presentation by its principal author or his or her designee. The principal author shall be notified in writing at his or her Capitol office no less than twenty-four (24) hours prior to the scheduled presentation. In the event more than one member of the General Assembly has signed a measure, the principal author shall be the one whose name appears first in the list of authors.
10. Precedence of motions shall be as set out in Senate Rules.
11. The proceedings of all meetings shall be reduced to writing. The recording of the minutes of the committee and subcommittee meetings shall comply with Senate Rules.
12. Any member or members of the committee who disagree with the majority committee report shall have the privilege of filing a minority report. The minority report must state succinctly the reasons for the dissent.
13. Where the rules are silent on a specific issue, the Rules of the Senate shall apply.

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS
COMMITTEE**

Wednesday, January 29th, 2008

The Senate Banking and Financial Institutions Committee held its first meeting of the 2008 Session on Wednesday, January 29th, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:08pm. Members present at the meeting were as follows:

Senator Hamrick, 30 th , Chairman	Senator Nancy Schaefer, 50 th
Senator Ralph Hudgens, 47 th , Vice Chair	Senator David Shafer, 48 th
Senator Ed Tarver, 22 nd , Secretary	
Senator John Bulloch, 11 th	
Senator Jeff Mullis, 53 rd , Ex-Officio	

Note: Senators Harbison, 15th, Murphy, 27th, Rogers 21st, and Thompson, 33rd, were absent from the meeting.

Chairman Hamrick called the meeting to order. Members of the staff and the committee were introduced.

The committee began a hearing on **SB 358**:

SB 358 (Hamrick, 30th) Georgia Uniform Securities Act of 2008; repealing it in its entirety and enacting a new chapter

SB 358 updates the *Georgia Securities Act of 1973* and replaces it with the *Georgia Uniform Securities Act of 2008*. The new act will provide forms of registration for securities, regulation of securities professionals, fraud enforcement, as well as coordination and uniformity with current federal law. Director **Bob Terry** of the Division of Securities was in attendance to explain the provisions of the bill. The Committee will not vote on the bill until further clarifications are made.

With no further business, Chairman Hamrick, 30th, adjourned the meeting at 2:05 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS COMMITTEE

Tuesday, February 5, 2008

The Senate Banking and Financial Institutions Committee held its second meeting of the 2008 Session on Tuesday, February 5, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:08pm. Members present at the meeting were as follows:

Senator Hamrick, 30 th , Chairman	Senator Jack Murphy, 27 th
Senator Ralph Hudgens, 47 th , Vice Chair	Senator Chip Rogers, 21 st
Senator Ed Tarver, 22 nd , Secretary	Senator Nancy Schaefer, 50 th
Senator John Bulloch, 11 th	Senator Steve Thompson, 33 rd
Senator Ed Harbison, 15 th	
Senator Jeff Mullis, 53 rd , Ex-Officio	

Note: Senator Shafer, 48th, was absent from the meeting.

Chairman Hamrick opened the meeting by welcoming committee members and guests to the meeting and stated that **SB 358** is the securities code rewrite legislation. Chairman Hamrick stated that Mr. **Bob Terry** from the Secretary of State's office had worked with him on the legislation. However, there were still changes to be made and a committee substitute will be drafted. Therefore, there will not be a vote on this bill today because the substitute has not been prepared. Today the discussion will focus on the changes that are being made.

SB 358 (Hamrick, 30th) **Georgia Uniform Securities Act of 2008; repealing it in its entirety and enacting a new chapter**

SB 358 updates the *Georgia Securities Act of 1973* and replaces it with the *Georgia Uniform Securities Act of 2008*. The new act will provide forms of registration for securities, regulation of securities professionals, fraud enforcement, as well as coordination and uniformity with current federal law. Chairman called on Director **Bob Terry** of the Securities Division to speak to the legislation with regard to the issues they have agreed on, and the issues they are still working on. Mr. Terry stated that there had been several issues which necessitated meetings with four groups regarding the legislation to address concerns. One of the issues was that credit unions were not specifically mentioned in the portion of the bill which exempts prior registration of broker dealers. A second issue was that the bill would provide for qualified immunities for lawsuit regarding defamation. A third issue related to the definition of branch office, page 2, line 27, which they decided to delete. Another issue was to make the effective date of the legislation July 1, 2009. Since this bill is a complete rewrite of the law, a new effective date would give time for adoption of rules and regulations under the securities act. A remaining issue was that the definition of broker in the bill excluded banks, unless they engaged in certain enumerated activities. This issue was still under discussion. There were questions from Senators **Thompson, 33rd**, and **Hudgens, 47th**, regarding the definition of reckless under law and whether life settlements are regulated under this law respectively. Mr. Terry stated that they would be covered under this law.

Note: Sen. Rogers, 21st, arrived at the meeting.

Chairman Hamrick asked if there were any further questions from the committee. With no further questions, Chairman Hamrick stated he would have a committee substitute prepared and a vote would be taken on this legislation at the next meeting. Chairman Hamrick noted again that the prior legislation was 1973 so it has been over 30 years since it has been updated. Chairman Hamrick thanked Mr. Terry for all the work he has done on the legislation.

Note: Sen. Mullis, 53rd, arrived at the meeting.

Chairman Hamrick asked the audience if there was anyone at the meeting who represented the securities industry. **Steve Gorgenson** spoke briefly in favor of the legislation. **Elizabeth Chandler** of the Georgia Bankers stood to thank Chairman Hamrick and the Banking Committee for their work on the legislation.

SB 358 HEARING ONLY

SB 361 (Rogers, Chip 21st) Georgia Credit Protection Act; definitions; credit reports; security freeze

Chairman Hamrick stated that although Sen. **Rogers, 21st**, was the primary sponsor of the legislation, he had signed onto the legislation and would be presenting because he had a substitute to offer on the bill and would point out the differences in **SB 361** and the Substitute.

Chairman Hamrick stated that the House had been working on **HB 130** and had a Study Committee on the subject during the interim. **HB 130** would allow consumers to place a freeze with a credit reporting agency on their credit report. The bill came out of the House a couple of weeks ago with Amendments. Two of the Amendments passed. One of the issues involved how much the reporting agency can charge for the consumer to have the freeze placed on the report. The fee was \$10.00 when it came out of the House Committee, and with the Amendments it became \$3.00.

SB 361 in its original version did not specify a fee that could be charged to the consumer, but in the **Substitute to SB 361**, we have limited the fee to \$3.00. There were also a few changes in the Substitute regarding the ability of a consumer to get a freeze placed on their credit report. Chairman Hamrick stated the language of **HB 130** as it passed the house floor was added to the **Substitute to SB 361**. He also included a few things from legislation that were passed in Tennessee. Therefore, Chairman Hamrick concluded what you see in the **Substitute to SB 361** was basically **HB 130**. Also, **HB 130** included a long list of exceptions to the placing of a freeze by the credit bureaus which made it appear as though for almost any reason they could create an exception for placing the freeze. Chairman Hamrick stated that he took that list out of the **Substitute to SB 361**. He would like to have a discussion on which items might need to be put back in, or to at least narrow the list down. In addition there were stiffer penalty provisions on Page 6, Lines 5 – 25 in the Substitute. On Page 6, Line 27 is a notice provision that requires the Credit Bureaus when sending federally required notices to provide consumers a notice to request that the credit reporting bureaus freeze their report if they suspect the consumer may become victims of identity theft. Chairman Hamrick concluded that these were the basic changes.

Chairman Hamrick asked the committee if they wished to make comments. He called upon Sen. **Murphy, 27th** for a question. Sen. Murphy said that he could see a problem with the \$3.00 fee. Sen. Murphy stated that he wanted the consumer to pay as little as possible for these freezes, but was concerned about dictating to the credit reporting agencies what they can charge because it may cost the credit reporting agency more than \$3.00 to place the freeze. That is why many credit card companies have a minimum charge of \$5.00 or \$10.00 on a credit card freeze. Chairman Hamrick stated that the House has studied that thoroughly and basically decided on \$10.00 in the Study Committee. On the floor of the House it was amended to be \$3.00. Chairman Hamrick stated that the fee of \$3.00 is still open for discussion, and there are some groups here today who have researched the issue.

Chairman Hamrick called upon Sen. **Thompson, 33rd**, for a question. Sen. Thompson asked what were the exceptions listed in the original bill, [SB 361](#), as introduced in the Senate by Sen. Rogers. Chairman Hamrick stated the exceptions listed in [HB 130](#) were: an Act of God, fires, earthquakes, etc., unauthorized acts by a third party such as sabotage, vandalism, labor strikes, disputes disrupting operations, operational failure such as electrical failure, unanticipated delay, computer failures, inhibiting response time or similar disruption. Chairman **Hamrick** stated that some of these exceptions were clearly legitimate, but some of them opened up a broad exception that needed to be looked at further.

Chairman Hamrick called upon Mr. **Kirby Thompson** from Equifax to speak to the legislation. Mr. Thompson stated that 39 other states have passed credit freeze laws and most of them have exemptions. Senator Thompson, 33rd asked the Chairman if he was planning to vote on the bill today, and Chairman Hamrick stated that he would like to get the bill moving, but if there is a lot of opposition he would be willing to wait.

Chairman called upon Sen. **Murphy, 27th**, for a question. Senator Murphy asked Mr. Thompson what the other states are charging for this freezing service. Kirby Thompson responded that 20 states charge a \$10 fee, 10 states charge \$3.00, 4 states charge \$5.00, one state has no fee, and 2 states have fees higher than \$10. Senator Murphy stated that a credit freeze law this year needs to pass this year, but he was concerned about the fee. Sen. Murphy did not think we should mandate a price that will cause companies to lose money.

Note: Sen. Harbison, 25th, arrived at the meeting.

Chairman Hamrick stated that there were two consumer groups in the audience, and he called upon Ms. **Kathy Floyd** with AARP to speak to the legislation regarding the dollar amount. She stated that the trend is now going to lower fees now that the freeze has grown. Montana has a \$3 fee and no cost to remove it.

West Virginia has a \$5 fee. Mississippi has a one time \$10 fee, and after that no further fees. Indiana has no fees. The trend appeared to be getting lower on the fees. Chairman then called upon **Danny Orrock** with Georgia Watch to speak to the legislation, and he agreed that the fees were trending lower.

Chairman Hamrick called upon Sen. **Thompson, 33rd** for a comment. Sen. Thompson stated the Committee should be cautious about moving too quickly on the legislation, and asked Senator Rogers if he would mind if they waited to pass it out. Chairman Hamrick stated that it is getting timely to pass the Senate Bill, and the House has passed \$3.00 on the floor and therefore he thinks the committee can go with \$3.00 and work it out if they need to.

Chairman Hamrick called upon Sen. **Murphy, 27th**, for a motion. Sen. Murphy stated that at the proper time he would like to make a motion.

Chairman Hamrick called upon Sen. **Hudgens, 47th** for a comment. Sen. Hudgens stated that telling the credit reporting agencies what they are going to charge for the service might not be a good thing, as they might not charge anything, or the language should be “no more than \$3.00.”

Chairman then called upon Sen. **Bullock, 11th**, for a comment regarding the language “twice in a calendar year.” He also mentioned that consumers might freeze their credit 10 times in a year.

Chairman Hamrick called upon Sen. **Thompson, 33rd**, for a comment. Sen. Thompson stated that he had already suggested that the committee wait one more meeting to work out the details, rather than have discussion on the Senate floor. He has not had time to talk to consumer groups or anyone in the industry. That is why he would like to wait a couple of days.

Chairman Hamrick stated that this bill would move to Rules, and that [HB 130](#) would remain in the Banking Committee. If there were obvious changes that needed to be made, then **HB 130** can be amended, rather than run the risk of not getting a bill on credit freezes this year. He would just like to get a Senate Bill or a House Bill through the legislature this year.

Chairman Hamrick then called upon Sen. **Murphy, 27th** for a motion. Sen. Murphy reiterated his concern about how much it will cost the credit reporting agencies to process the freeze, but in the interest of moving the bill he moved **Do Pass SB 361 by Substitute**. Sen. **Bullock, 11th**, seconded the motion. Motion passed unanimously 9 to 0.

SB 361 Do Pass by Substitute

There being no further business, the Chairman adjourned the meeting at 2:55 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Mary Whiting, Recording Secretary

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS
COMMITTEE**

Thursday, February 7, 2008

The Senate Banking and Financial Institutions Committee held its third meeting of the 2008 Session on Thursday, February 7, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:08pm. Members present at the meeting were as follows:

Senator Hamrick, 30 th , Chairman	Senator Jack Murphy, 27 th
Senator Ralph Hudgens, 47 th , Vice Chair	Senator David Shafer, 48 th
Senator Ed Tarver, 22 nd , Secretary	Senator Steve Thompson, 33 rd
Senator John Bulloch, 11 th	
Senator Ed Harbison, 15 th	
Senator Jeff Mullis, 53 rd , Ex-Officio	

Note: Senators Rogers, 21st, and Schaefer, 50th, were absent from the meeting.

Chairman **Hamrick**, 30th, brought the meeting to order.

SB 393 (Chance, Ronnie 16th) Pawnbrokers; restrict local governments' power; payment of any fee for transactions/hours of operation

Chairman Hamrick called on Senator **Ronnie Chance**, 16th, to open discussion on **SB 393**. This bill would restrict local governments' power to require the payment of any fee for pawnbroker transactions or restrict the hours of operation of pawnbrokers. Upon being asked a few questions by members on the matter, Sen. **Chance** stated that he had refined the bill after meeting with representatives of the Georgia Municipal Association (GMA) and offered a substitute to **SB 393**. **Gwen Hall** of the GMA spoke in favor of the bill, raising one concern about the potential costs that would be passed on to consumers. Sen. **Thompson**, 33rd, moved **SB 393 Do Pass by Substitute**. Sen. **Mullis**, 53rd, seconded the motion. **SB 393** passed unanimously 8 to 0.

SB 393 Do Pass by Substitute

There being no further business, the Chairman adjourned the meeting at 1:35 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS
COMMITTEE**

Tuesday, February 12, 2008

The Senate Banking and Financial Institutions Committee held its fourth meeting of the 2008 Session on Tuesday, February 12, in room 450 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:05pm. Members present at the meeting were as follows:

Senator Hamrick, 30th, Chairman
Senator Ralph Hudgens, 47th, Vice Chair
Senator Ed Tarver, 22nd, Secretary
Senator John Bulloch, 11th
Senator Jeff Mullis, 53rd, Ex-Officio

Senator Jack Murphy, 27th
Senator Nancy Schaefer, 50th
Senator Steve Thompson, 33rd

Note: Senators Harbison, 15th, Rogers, 21st, and Shafer, 48th, were absent from the meeting.

Chairman Hamrick brought the meeting to order.

SB 358 (Hamrick, 30th) Georgia Uniform Securities Act of 2008; repealing it in its entirety and enacting a new chapter

SB 358 updates the *Georgia Securities Act of 1973* and replaces it with the *Georgia Uniform Securities Act of 2008*. The new act will provide forms of registration for securities, regulation of securities professionals, fraud enforcement, as well as coordination and uniformity with current federal law. Chairman Hamrick was thankful for the cooperation of Georgia banking institutions, credit unions and the securities lobby on *SB 358*. The new act will provide the following: forms of registration for securities; regulation of securities professionals; fraud enforcement; as well as coordination and uniformity with current federal law. After two hearings, the committee was ready to vote on the legislation. Sen. **Bulloch, 11th**, moved ***SB 358 Do Pass by Substitute***. Sen. **Mullis, 53rd**, seconded the motion. ***SB 358*** passed unanimously 7 to 0.

SB 358 Do Pass by Substitute

There being no further business, the Chairman adjourned the meeting at 1:35 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS COMMITTEE

Tuesday, February 26, 2008

The Senate Banking and Financial Institutions Committee held its fifth meeting of the 2008 Session on Tuesday, February 12, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:05pm. Members present at the meeting were as follows:

Senator Hamrick, 30th, Chairman
Senator Ralph Hudgens, 47th, Vice Chair
Senator Ed Tarver, 22nd, Secretary
Senator John Bulloch, 11th
Senator Ed Harbison, 15th

Senator Jeff Mullis, 53rd, Ex-Officio
Senator Jack Murphy, 27th
Senator Chip Rogers, 21st
Senator Nancy Schaefer, 50th

Note: Senators Shafer, 48th, and Thompson, 33rd, were absent from the meeting.

Chairman Hamrick brought the meeting to order.

HB 579 (Scott, Austin 153rd) Landlord liens; definitions; provisions

Rep. **Austin Scott, 153rd**, presented **HB 579** which would provide for the assessment of certain storage charges on manufactured or mobile homes by real property owners, in addition to the establishment of a lien on manufactured or mobile homes for certain storage costs. This bill would create a new Code section effecting liens against mobile homes, specifically regarding the priority of liens and assessment of storage charges on vacated mobile homes by owners of mobile home communities. The bill addressed the issue of mobile home community owners being unable to receive payment for the rented property from the lien holder. If a manufactured home or mobile home has been vacant for more than 30 days and after notice to the lien holder as provided in this Code section, rent charges may be collected by the owner of the manufactured home community from the lien holder and the assignee of any such lien holder. **Charlotte Gattis** with the Georgia Manufactured Housing Association also addressed the committee to help explain the legislation and spoke in favor of the legislation. Chairman Hamrick opened the floor for questions from the members of the committee. Senators **Tarver, Hudgens, Mullis, Murphy**, and Chairman **Hamrick** asked clarifying questions. Rep. Scott and Ms. Gattis answered the members and gave clearer understanding of the bill and its intent. Sen. **Hudgens, 47th**, moved **HB 579 Do Pass**. Sen. **Mullis, 53rd**, seconded the motion. **HB 579** passed unanimously 8 to 0.

HB 579 DO PASS

HB 921 (Mills, James 25th) Mortgage lenders and brokers; nation-wide automated licensing system; create

Chairman Hamrick called on **Rob Braswell**, Commissioner of Georgia's Department of Banking & Finance, to explain **HB 921**, which would create a nation-wide automated licensing system for mortgage brokers and mortgage lenders. Commissioner Braswell explained this bill would allow the Georgia Department of Banking and Finance to participate in an internet-based data repository for nation-wide residential mortgage licensing and renewal purposes. This bill would benefit multi-state brokers and lenders because they would be able to submit a single uniform renewal application that would provide internet-based access for regulators. In 2009, consumers as well as regulators would

have access to the system. This legislation would not change the amount that Georgia receives per license or license renewal. The administration costs for the system will be netted from the payment of the licensing or renewal fee to the nation-wide system. Upon the deduction of a fee by the nation-wide system, the actual licensing fees would be turned over to the Department of Banking and Finance. Sen. **Mullis** and Chairman **Hamrick** asked additional clarifying questions of Commissioner **Braswell**. Sen. **Bulloch, 11th**, moved ***DO PASS HB 921*** Sen. **Mullis, 53rd**, seconded the motion. ***HB 921*** passed unanimously 8 to 0.

HB 921 DO PASS

SB 465 (Jones, Emanuel 10th) **Property; power of sale, mailing/delivery of notice to debtor; change requirement for sending such notice**

Sen. **Emanuel Jones, 10th**, presented ***SB 465***, which would change the time requirement for sending a notice to a debtor in the case of foreclosure. The intent of this legislation is to give people in danger of losing their homes more time to work with lenders and avoid foreclosure. **Steve Bridges, Mike Culbertson, Joe Brannen** and **Mo Thrash** from the Community Bankers Association of Georgia, Credit Union Georgia Affiliates, Georgia Bankers Association and Mortgage Banker's Association respectively, spoke against the legislation. Chairman **Hamrick** stated that today's meeting would be a hearing only on ***SB 465***, and the committee adjourned.

SB 465 HEARING ONLY

There being no further business, the Chairman adjourned the meeting at 2:35 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS COMMITTEE

Tuesday, March 4, 2008

The Senate Banking and Financial Institutions Committee held its sixth meeting of the 2008 Session on Tuesday, March 4, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:16 pm. Members present at the meeting were as follows:

Senator Hamrick, 30th, Chairman
Senator Ralph Hudgens, 47th, Vice Chair
Senator Ed Tarver, 22nd, Secretary
Senator John Bulloch, 11th
Senator Ed Harbison, 15th
Senator Jeff Mullis, 53rd, Ex-Officio

Senator Jack Murphy, 27th
Senator Chip Rogers, 21st
Senator Nancy Schaefer, 50th
Senator David Shafer, 48th
Senator Steve Thompson, 33rd

Chairman Hamrick brought the meeting to order, and stated that he was taking up several foreclosure bills in this meeting, **SB 519**, **SB 531**, **SB 465**, and holding a hearing only on **SB 527**. Chairman Hamrick invited **Frank Alexander**, Professor at Emory University's School of Law, to speak on the foreclosure problem. Professor Alexander gave a brief summary of the bills and their purpose. **SB 531** is legislation designed to make sure the entity conducting the foreclosure is the legal owner of the property. **SB 519** and **SB 465** were designed to create more opportunities for homeowners to achieve a reasonable agreement. **SB 527** was designed to deal with foreclosure scams and equity stealing.

SB 531 (Hamrick, Bill 30th) **Foreclosure; conduct by the current owner/holder of mortgage; require**

SB 531, which would require a foreclosure to be conducted by the current owner or holder of a mortgage, was presented by Chairman **Hamrick**. This bill would require the current holder or owner of a mortgage to be recorded with the Clerk of Superior Court in the county where the real property is located. In order for foreclosure to occur, the actual lien holder must be identified in the foreclosure notice, not merely a loan servicer. Specifically, the advertisement required in the legal organ in the county of the sheriff's sale must contain the identity of the secured creditor, an address for such secured creditor, and if applicable, the name, address and telephone number of the party having the right to service the underlying debt. **Frank Alexander**, **Howard Rothblum**, **April Atkins**, and **Bill Brennen** all testified in favor of the bill. Sen. Jack **Murphy**, 27th, made the motion to **DO PASS SB 531**. Sen. **Thompson**, 33rd, seconded the motion. The bill passed unanimously 7-0.

SB 531 DO PASS

Note: Senators Harbison, 15th, Rogers, 21st, and Tarver, 22nd, were absent during the vote. Senators Harbison, 15th, and Tarver, 22nd, returned to the meeting before deliberation began on **SB 519**.

SB 519 (Hamrick, Bill 30th) Power of Sale; change the requirement for sending notice

A substitute to **SB 519** authored by Chairman **Hamrick**, which would require a notice letter of foreclosure be sent before an advertisement is placed, was presented by Chairman Hamrick. This bill would make changes to the procedure and requirements for notice to debtors of foreclosure. Under this legislation, notice of the initiation of proceedings to exercise a power of sale in a mortgage, security deed, or other lien contract would be given to the debtor by the secured creditor no later than 30 days and no sooner than 60 prior to the publication of the foreclosure advertisement. The notice should be in writing and sent by registered or certified mail or statutory overnight delivery, return receipt requested, to the property address or to such other address as the debtor may designate by written notice to the secured creditor. Also, it should state the amount of the deficiency or other reason for foreclosure, the balance of the loan, and the telephone number of a person with authority to negotiate ways to avoid the foreclosure. **Frank Alexander, Howard Rothblum, and Gee Aldridge** testified in favor of the legislation. Sen. David **Shafer, 48th**, moved **SB 519 DO PASS BY SUBSTITUTE**. Sen. **Thompson, 33rd**, seconded the motion. The bill passed unanimously 6 to 0.

Note: Sen. Schaefer, 50th, and Sen. Mullis, 53rd, left the meeting to attend another committee meeting and did not vote. Sen. Hudgens, 47th, left the meeting briefly and was not available for the vote. Sen. Rogers, 21st, arrived during testimony and participated in the vote on this legislation.

SB 519 DO PASS BY SUBSTITUTE

SB 465 (Jones, Emanuel 10th) Property; power of sale, mailing/delivery of notice to debtor; change requirement for sending such notice

Sen. **Emanuel Jones, 10th**, presented **SB 465**, which would change the time requirement for sending a notice to a debtor in the case of foreclosure. The intent of this legislation is to give people in danger of losing their homes more time to work with lenders and avoid foreclosure. This bill would make significant changes to the procedure and requirements for notice to debtors of foreclosure. Chairman Hamrick offered a substitute to the bill. Under this legislation, notice of the initiation of proceedings to exercise a power of sale in a mortgage, security deed, or other lien contract on a high cost home loan would be given to the debtor by the secured creditor in writing no later than 90 days before the date of the proposed foreclosure. Also, it would state the amount of the deficiency or other reason for foreclosure, the balance of the loan, and the telephone number of a person with authority to negotiate ways to avoid the foreclosure. A motion of **SB 465 DO PASS BY SUBSTITUTE** was made by Sen. **Thompson, 33rd**. Sen. **Murphy, 27th**, seconded the motion. The bill passed unanimously 6 to 0.

SB 465 DO PASS BY SUBSTITUTE

SB 527 (Davenport, Gail 44th) **Foreclosure Rescue Fraud Prevention Act; enact; mortgages, conveyances to secure debt, liens**

Finally, **SB 527**, which enacts the *Foreclosure Rescue Fraud Prevention Act*, was presented by Sen. **Gail Davenport, 44th**, which addressed the problem of mortgage scams and equity stealing. **Frank Alexander, Bill Brennan**, and **Kate Little** all testified in favor of the bill's general idea, but felt more research and study needed to be conducted.

Chairman Hamrick agreed, complimented Sen. Davenport on her legislation, and suggested that she do a study committee on the issue. Chairman Hamrick subsequently tabled **SB 527** for further consideration.

SB 527 Tabled

There being no further business, the Chairman adjourned the meeting at 2:35 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS
COMMITTEE**

Wednesday, March 5, 2008

The Senate Banking and Financial Institutions Committee held its seventh meeting of the 2008 Session on Wednesday, March 5, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 10:31 a.m. Members present at the meeting were as follows:

Senator Hamrick, 30th, Chairman
Senator Ralph Hudgens, 47th, Vice Chair
Senator Ed Tarver, 22nd, Secretary
Senator John Bulloch, 11th

Senator Jack Murphy, 27th
Senator Chip Rogers, 21st
Senator David Shafer, 48th

Chairman Hamrick brought the meeting to order.

SB 541 (Chance, Ronnie 16th) Financial Institutions; provide for guaranteed asset protection waivers; scope; purposes; definitions; requirements for offering

In the absence of the bill's author, Sen. **Ronnie Chance, 16th**, Sen. **Chip Rogers, 21st**, presented **SB 541** which would provide guaranteed asset protection waivers for financial institutions. This bill adds Article 14 to Chapter 1 of Title 7 of the O.C.G.A., which provides that guaranteed asset protection waivers are not insurance, and any guaranteed asset protection waiver issued after the enactment of the article would not be construed as insurance and, therefore, would be exempt from the insurance laws of this state. A guaranteed asset protection waiver is a contractual agreement in which a creditor agrees for a separate charge to cancel or waive all or part of amounts due on a borrower's finance agreement in the event of a total physical damage loss or unrecovered theft of the motor vehicle. The agreement must be part of, or a separate addendum to, the finance agreement. This legislation would provide the framework for guaranteed asset protection waivers in Georgia, would provide definitions, and would provide how such waivers may be offered to Georgia consumers. **Stacy Freeman** of Troutman Sanders testified in support of this legislation. Sen. **Hudgens, 47th**, moved **SB 541 DO PASS**. Sen. **Rogers, 21st**, seconded the motion. **SB 541** passed unanimously 6-0.

SB 541 DO PASS

There being no further business, the Chairman adjourned the meeting at 11:00 a.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS COMMITTEE

Tuesday, March 18, 2008

The Senate Banking and Financial Institutions Committee held its eighth meeting of the 2008 Session on Tuesday, March 18, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:15 pm. Members present at the meeting were as follows:

Senator Hamrick, 30th, Chairman
Senator Ralph Hudgens, 47th, Vice Chair
Senator Ed Tarver, 22nd, Secretary
Senator John Bulloch, 11th

Senator Jeff Mullis, 53rd, Ex-Officio
Senator Jack Murphy, 27th
Senator Nancy Schaefer, 50th

NOTE: Senators Harbison, 15th, Rogers, 21st, Shafer, 48th, and Thompson, 33rd, were absent from the meeting. Senator Hudgens, 47th, arrived after the vote on HB 130.

Chairman Hamrick brought the meeting to order.

HB 130 (Hill, Calvin 21st) Identity theft; security freezes; definitions; provisions

Rep. Hill, 21st, presented a *Substitute to HB 130*. This bill would regulate security freezes of consumer reporting agency reports by consumers. Consumer reporting agencies are also known as credit bureaus. This legislation would provide a method for placing and removing a security freeze by a consumer. A consumer would be charged \$3.00 for placing or removing a credit freeze. Also, if the consumer was a victim of documented identity fraud or age 65 or over, this bill would prevent consumer reporting agencies from charging a fee for placing or removing a security freeze. A freeze would be temporarily lifted by a credit bureau within a period of 15 minutes, if requested by the consumer. **John Heavener**, GA Retail Association, spoke in favor of the bill. **Kirby Thompson**, Equifax, spoke in favor of the bill, stating that Equifax already provides this service. Their only request is that the fee be raised to \$10.00 to cover the cost. The committee did not agree to this change. Sen. **Bulloch, 11th**, moved *HB 130 DO PASS BY SUBSTITUTE*. Sen. **Mullis, 53rd**, seconded the motion. *HB 130* passed unanimously 5 to 0. Chairman Hamrick stated that he would be the Senate Sponsor of this bill.

HB 130 DO PASS BY SUBSTITUTE

HB 972 (Tumlin, Steve 38th) Uniform Prudent Management of Institutional Funds Act; enact

Chairman Hamrick called on **Rep. Steve Tumlin, 38th**, to speak on *HB 972*. This bill would provide standards for charities to use in managing investments and spending from endowments, and the management of institutional funds. The bill provides standards for charities to use both in managing investments themselves and in selecting an agent to manage their investments. It would allow a donor or a court to modify original restrictions on a gift. **Nick Djurie**, Chairman of the Legislative Committee of the Fiduciary Law Section, gave testimony in favor of the legislation. Chairman Hamrick opened the floor to committee members' questions. After several questions from Senators **Tarver, Murphy**, and **Bulloch**, Chairman Hamrick decided to table the bill to allow members to digest the information given before taking a vote. *HB 972* was tabled for further review.

HB 972 TABLED

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March 18, 2008

There being no further business, the Chairman adjourned the meeting at 2:25 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS
COMMITTEE**

Monday, March 24, 2008

The Senate Banking and Financial Institutions Committee held its final meeting of the 2008 Session on Monday, March 24, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:25 pm. Members present at the meeting were as follows:

Senator Hamrick, 30th, Chairman
Senator Ed Tarver, 22nd, Secretary
Senator Ed Harbison, 15th
Senator Jeff Mullis, 53rd, Ex-Officio

Senator Jack Murphy, 27th
Senator Chip Rogers, 21st
Senator Nancy Schaefer, 50th

NOTE: Senators Hudgens, 47th, Bulloch, 11th, Shafer, 48th, and Thompson, 33rd, were absent from the meeting.

Chairman Hamrick brought the meeting to order.

HB 972 (Tumlin, Steve 38th) Uniform Prudent Management of Institutional Funds Act; enact

Rep. Steve Tumlin, 38th, introduced **HB 972** to the committee again. This bill would provide standards for charities to use in managing investments and spending from endowments, and the management of institutional funds. The bill provides standards for charities to use both in managing investments themselves and in selecting an agent to manage their investments. It would allow a donor or a court to modify original restrictions on a gift. **Marshall Sanders**, from Alston Byrd, gave testimony in favor of the legislation. Chairman Hamrick opened the floor to committee members' questions. There were several questions from Senators Tarver and Murphy. Sen. **Murphy, 27th**, moved **HB 972 DO PASS**. Sen. Chip **Rogers, 21st**, seconded the motion. **HB 972** passed unanimously 6-0. Chairman Hamrick stated that he would carry **HB 972** in the Senate.

HB 972 DO PASS

There being no further business, the Chairman adjourned the meeting at 2:05 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22nd, Secretary

/s/ Laurie Sparks, Recording Secretary

June 1, 2008

Honorable Bob Ewing
Secretary of the Senate
State Capitol
Room 353
Atlanta, GA 30334

Dear Mr. Ewing:

Along with the minutes of the **Senate Banking and Financial Institutions Committee**,
I am returning the following Bills and Resolutions:

[SB 375](#)

[SB 439](#)

[SB 475](#)

[SB 489](#)

[SB 527](#)

[SB 545](#)

[SB 551](#)

Respectfully submitted,

/s/ Laurie Sparks
Recording Secretary
Senate Banking and Financial Institutions Committee